GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:5813
ANSWERED ON:02.05.2003
IMPORT OF PEPPER
P.C. THOMAS

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether large sale import of pepper has taken place during the last one year;

(b) if so, the details of import of pepper, country-wise;

(c) whether pepper imports at a concessional duty of 7% is permitted from Srilanka under a bilateral agreement between India and Srilanka;

(d) if so, the details of the agreement and the quantum of pepper imported from Srilanka since this bilateral agreement was made, year-wise;

(e) whether such cheaper imports has affected the domestic prices of pepper causing concern to the domestic plantation sector;

(f) if so, whether the Government propose to impose a quantity cap on the import of pepper from Srilanka; and

(g) if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a) & (b): Yes, Sir. Country-wise details of import of pepper for the period April-February, 2002-03 (estimated) are given in the table below:-

Country	Quantity (Tons)	Value (Rs.Crores)
Brazil	50	0.43
Indonesia	1624	12.98
Malaysia	44	0.31
Singapore	30	0.30
Sri Lanka	6204	58.22
Vietnam	6929	48.05
Others	219	1.17
Total	15100	121.46

Source: Spices Board

(c) Import of pepper was permitted at 7% duty from Sri Lanka under the India-Sri Lanka Free Trade Agreement till 17th March, 2003. With effect from 18th March, 2003, the import of pepper is being permitted duty free from Sri Lanka.

(d) A Free Trade Agreement (FTA) between India and Sri Lanka was signed on 28th December, 1998 in New Delhi. The FTA has been made operative by the issuance of Customs Notification on 1st March, 2000. The agreement envisages phasing out of tariffs on all products, over a period of time, except for a limited number of items in the Negative List. While India would complete the process of tariff elimination over a period of 3 years, Sri Lanka would achieve this over 8 years from the date of operation of the Agreement. The quantum and value of import of pepper from Sri Lanka for the last five years is given below:-

Year	Quantity (Tons)	Value (Rs. Crores)

1998-1999	1095	24.15
1999-2000	1160	25.76
2000-2001	1749	27.88
2001-2002	1241	16.05
2002-2003(April-February)#	6204	58.22

Estimated
Source: Spices Board

(e) Fall in domestic prices since 1999-2000 is a reflection of declining international prices. As such, this cannot be attributed only to the concessional duty regime permitted under Indo-Sri Lanka Free Trade Agreement. Further, during the current year, domestic prices have shown an improvement as compared to last year.

(f) No, Sir.

(g) Trade between India and Sri Lanka has to be carried out in terms of the provisions of India-Sri Lanka Free Trade Agreement.